

VZCZCXRO4470  
RR RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK  
DE RUEHGB #3727/01 3170849  
ZNR UUUUU ZZH  
R 130849Z NOV 07  
FM AMEMBASSY BAGHDAD  
TO RUEHC/SECSTATE WASHDC 4316  
INFO RUCNRAQ/IRAQ COLLECTIVE

UNCLAS SECTION 01 OF 02 BAGHDAD 003727

SIPDIS

SENSITIVE  
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E.O. 12958: N/A

TAGS: PREL PGOV PHUM I2  
SUBJECT: DIYALA PRT: COMPENSATION PAYMENTS-STILL WAITING

¶1. (U) This is a Diyala PRT reporting cable.

Summary

¶2. (U) In August 2007, as operation Arrowhead Ripper came to a close in Diyala, Deputy Prime Minister (DPM) Barham Salah visited the province. After surveying the damage he promised that USD 50 million would be made available to repair the homes of those with damaged property. To date, administrative roadblocks, bureaucratic bungling, fraud and corruption have delayed the process, and no compensation payments have been processed. With colder weather approaching, the need for installation of new windows, walls, and doors is imperative, but the prospects for progress are unclear.  
End Summary.

Widespread Damage

¶3. (U) Although no definitive figures have been gathered, the widespread destruction of real estate as a result of Arrowhead Ripper operations is apparent when traveling in Diyala. Provincial authorities estimated that most families who filed a claim would be eligible for approximately USD 5,000 to repair their homes.

The Plan

¶4. (U) When approached in late September, the Deputy Governor (DGOV) of Diyala, Auwf Rahoumi Majeed Khudayer Al-Rubay'i, stated that no forms for compensation would be generated or distributed until the funds had been transferred to Diyala, because he feared raising citizens' hopes and then disappointing them. The PRT urged and ultimately convinced DGOV Auwf to prepare and distribute claim forms in order to determine if the original funds promised would be sufficient to cover the needs of the claimants. DGOV Auwf was the executive agent for this action because Governor Ra'ad Rasheed Hameed Al-Tamimi was recuperating after being injured in an assassination attempt. (COMMENT: The PRT had earlier assessed that without an estimate of the amount of currency required, the Central Bank would not ship funds to Diyala END COMMENT.)

Bureaucracy In Action

¶5. (U) DGOV Auwf and his staff prepared the forms from scratch after several long meetings. The resulting documents required the property owner to gather no less than six different signatures, starting at the neighborhood level and moving up through several local officials. The purpose of the document was to verify both ownership of the property in question and the degree of damage to it. The forms also requested photographs of the damaged property. The authorities applied several signatures and stamps to the documents in advance, making reproduction more difficult. (COMMENT: The document security measures also had the unfortunate side effect of making the forms a controlled item, opening the door for official corruption to limit access to them. END COMMENT.) The executive staff of the province also invested time planning for extra Iraqi Police (IP) coverage of the Governance Center (GC) during the payout process to protect citizens carrying large amounts of cash. The forms were shipped to various cities throughout the province with the expectation that they would be completed within a few weeks and

returned.

#### The Best Laid Plans

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**¶16.** (U) As soon as Ramadan ended, the provincial authorities began to receive compensation claims. A review of the completed forms indicated that the forms security measures were of little effect because the signing officials did not actually view the damage or certify ownership of the property. Multiple owners of the same property, duplicate photographs associated with different properties, and the sale of forms to claimants were among the fraudulent practices identified. The office of the DGOV quickly realized the susceptibility of claims forms to fraud, and decided to stop accepting the forms. No action has been taken against those who filed fraudulent forms to date. Also, there have been no reports of officials being reprimanded or fired for selling the forms or signing them without seeing the property.

#### Do Over or Time Out?

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**¶17.** (U) A new streamlined form still under revision requires IP verification of the damage claimed and a certified copy of the deed to the property in question. Photographs will still be requested to process the claim. It is unclear when the provincial government will ship the new forms and the Central Bank has still not yet released any of the promised currency, despite promising to have it shipped to the GC on 21 October.

#### Comment

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**¶18.** (U) In Baquba and other cities the need for compensation is clear. Homes have gaping holes in the walls, missing doors, and no windows. What is also clear is that the small businesses that supply lumber, bricks, reinforced iron bars, cement, glass and paint

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are open and doing business. To avoid more suffering and increased disenchantment with the government, it is imperative that the GOI get the money into the hands of citizens before the weather turns colder. To delay compensation only increases the risk of greater unrest.

CROCKER